

FISCAL IMPACT STATEMENT ON BILL NO. **S.344, Senate Amendment**
(Doc. No. JUD0332.125)

TO:	The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Kenneth Brown, Beth Campbell & Allan Kincaid		
DATE:	March 28, 2007	SBD:	2007282

AUTHOR:	Senator Thomas	PRIMARY CODE CITE:	38-73-520
SUBJECT:	Workers Compensation Reporting to Department of Insurance		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

The Bill (originally titled as Part III of Senate Bill 332) amends various sections of Title 38 relating to workers' compensation insurers to require filing of loss cost multipliers with the Department of Insurance, provides for the time frame for submission, minimum information requirements, that the effective date for filing is governed by Section 38-73-525 and allows the Director to disapprove any workers' compensation rates after they become effective if rates do not meet the requirements of Chapter 73 of Title 38.

EXPLANATION OF IMPACT:

Department of Insurance

The Department indicates that the Bill would require additional General Funds of the State to fund a Rates and Forms Analyst at \$55,000 in salary and fringe with experience in workers compensation insurance.

Department of Consumer Affairs

Section 38-73-490 of the S.C. Code of Laws states that a proceeding under this section is considered a proceeding to fix or alter rates for consumer services in relation to the duties of the Division of Consumer Advocacy. In addition, section 37-6-605 addresses the Department of Consumer Affairs responsibilities with regard to insurance ratemaking. As such the Department indicates there will be an annual cost to the General Fund of the State for one attorney with a salary and employer contributions of \$45,000. Contractual expenses of \$30,000 are anticipated for actuarial services to review rate changes. There will also be a one-time cost to the General Fund for furniture and equipment of \$3,500. Therefore, first year costs are estimated at \$78,500 while annual costs thereafter are estimated at \$75,000.

Other Agencies

The Workers' Compensation Commission, State Accident Fund, and Second Injury Fund report this Bill will have no impact on the General Fund of the State or on Federal and/or Other Funds.

Approved by:



Harry Bell
Assistant Director, Office of State Budget